

REMARKS

The Office Action dated March 29, 2004 and cited references have been considered. Claims 1-20 are presently pending. Reconsideration and allowance are respectfully requested.

In paragraphs 1-2 of the Office Action, the Examiner has raised objections to the Information Disclosure Statement (IDS) filed by the Applicant on February 4, 2003. In accordance with the Examiner's suggestions, Applicant is submitting herewith a new IDS and form PTO/SB/08A. The references listed on the form PTO/SB/08A, with the exception of Reference 1, U.S. Patent No. 6,196,458, were previously submitted in the February 4, 2003 IDS. References 2-8 of the present IDS (corresponding to items 16, 17, 23, 24, 26, 32, and 33 of the 2/4/03 IDS) are Applicant's best available copies. References 9-11, previously submitted, are now identified on the form PTO/SB/08A. Applicants are submitting herewith a check for \$180.00 to cover the fee pursuant to 37 C.F.R. §§ 1.97(c) and 1.17(p), due to the inclusion of reference 1 which was not previously cited. It is believed that the new IDS addresses the Examiner's objections. Accordingly, reconsideration and withdrawal of the objection are respectfully requested.

In paragraph 3 of the Office Action, the Examiner has objected to claims 8 and 18 as being of improper dependent form for failing to further limit the subject matter of a previous claim. Applicant respectfully submits that this objection is improper. In particular, Applicant respectfully submits that the subject matter of claims 8 and 18 does in fact further define the subject matter of claims 2 and 12, respectively. Examples of these features are described in detail in Applicant's specification at page 21, lines 1-14. Applicant does not understand why these claimed features are not considered to further define claims 2 and 12. Certainly to the entity (e.g., the card provider or brokerage system) that has agreed to fund the rebate at a

particular amount, these features are meaningful. Should the Examiner maintain the objection, Applicant respectfully requests clarification of the basis of the objection.

In paragraphs 4-9 of the Office Action, claims 1-20 were rejected under 35 U.S.C. § 101 as allegedly being directed to non-statutory subject matter. This rejection is respectfully traversed. The system claims (1-10), as amended, recite a “computer-implemented” system comprising modules “executed on a processor.” The system claims 1-10 produce a useful, concrete and tangible result. *See State Street Bank & Trust Co. v. Signature Financial Group, Inc.*, 149 F.3d 1368, 47 U.S.P.Q.2d 1596 (Fed. Cir. 1998). For example, according to one exemplary embodiment, the system can administer a rebate program which rewards a card member by funding at least part of a transaction, such as a stock purchase transaction, performed using a brokerage system that charges a fee for executing the transaction. The rebate therefore provides the cardholder with a free or discounted transaction, which is a useful, concrete and tangible result. Likewise, embodiments of the methods recited in claims 11-20 can produce essentially the same useful, concrete and tangible result and are therefore directed to statutory subject matter under 35 U.S.C. § 101. The methods recited in claims 11-20 relate to administering a rebate program including, among other things, applying a rebate to fund at least part of the transaction fee charged by the brokerage system. These claims are clearly not directed to laws of nature (a rebate program is not a law of nature), abstract ideas (the rebate program is not abstract), or natural phenomena (the rebate program is not a natural phenomena). For the foregoing reasons, Applicant respectfully submits that the rejection of claims 1-20 under 35 U.S.C. § 101 is improper. Accordingly, reconsideration and withdrawal of this ground of rejection are respectfully requested.

In paragraphs 10-20 of the Office Action, claims 1-20 were rejected under 35 U.S.C. §

102 and/or § 103 in view of U.S. Patent No. 4,750,119 to Cohen et al. (hereinafter "Cohen").

This rejection is respectfully traversed. Prior to discussing the rejection in detail, however, Applicant provides the following description of an embodiment of Applicant's invention to highlight some of its advantageous features.

According to one embodiment, the Applicant's invention relates to a computer implemented system for administering a rebate program. The system includes a first module executed on a processor for generating rebate information based on at least one purchase of goods or services using a card such as a credit card or a debit card. The system further includes a second module executed on a processor for applying a rebate based on the rebate information to fund at least part of a transaction, such as a stock purchase transaction, performed using a brokerage system, such as a face-to-face brokerage system, an electronic brokerage system, or another type of brokerage system that facilitates the trading or management of financial assets. The brokerage system charges a fee to perform a transaction. The rebate is used to fund at least part of the transaction fee charged by the brokerage. The rebate therefore provides the cardholder with a free or discounted transaction.

Cohen describes a purchasing system that provides subscriber-purchasers with a rebate in the form of an annuity paid twenty years from the end of the fiscal year in which the consumer makes a purchase. *See* Cohen at col. 3, lines 4-9. The purchasing system in Cohen interacts with a number of entities including the subscriber-purchasers, a number of vendors, an escrow agent, and an insurance company that pays the annuity to the subscriber-purchaser. According to the Cohen method, the subscriber-purchaser places an order for a selected good or service from a particular vendor selected by the purchasing center. Cohen at col. 3, lines 40-42. The subscriber-purchaser communicates his or her purchase to the individual at the purchasing

center. The subscriber-purchaser then sends the funds, representing the cost of the goods and services, to the purchasing center. The purchasing center sends the funds and an instruction to pay that particular vendor selling that particular good or service to an escrow agent. *Id.* at col. 3, lines 58-68.

The operator of the purchasing system has negotiated with a variety of vendors to pay a generally wholesale price for the goods and services. Therefore, a differential exists between the price paid by the purchaser-subscriber and the wholesale price due the vendor. *Id.* at col. 4, lines 1-6. The operator of the purchasing system utilizes the differential to fund the annuity. *Id.* at col. 2, lines 25-35. The escrow agent pays the insurance company a premium for an annuity policy and then pays the vendor the wholesale price for the selected good or service. *Id.* at col. 4, lines 17-21. The purchasing system generates an instruction to the insurance company to issue individual annuity contracts to each individual subscriber-purchaser. *Id.* at col. 4, lines 54-56.

According to the Cohen disclosure, vendors are motivated to join this transactional system because purchasers will be motivated to patronize their shops to the exclusion of other vendors because of the future rebate guaranteed to the purchaser by the system. With the guaranteed patronage of purchasers, the vendors have lower marketing costs for advertising and therefore can offer reduced prices to the operator of the purchasing system. *Id.* at col. 4, lines 6-13.

Cohen does not anticipate or render obvious Applicant's invention as defined in claims 1-20. For example, Cohen does not disclose or suggest a brokerage system or brokerage service that charges a fee to perform a transaction, as recited in each of Applicant's independent claims. The escrow agent described in Cohen is not a brokerage service. It does not exist other than to distribute the funding from the Cohen purchasing system to the insurance company and the

vendors. It does not charge a fee to perform a transaction. The administrative fee noted in paragraph 13 of the Office Action is paid to the processing center, not the escrow agent. *See* Cohen at col. 6, line 22.

Cohen also does not disclose or suggest applying the rebate to fund at least part of the *transaction fee*, as recited in claims 1-20. Rather, in Cohen, the rebate is used to fund *the value of the annuity itself*. *See* Cohen at col. 2, lines 1-8 (“The purchasing system . . . generates instructions to . . . pay the future rebate guarantor, the insurance company, a premium *representing the purchase price of all the future guaranteed rebates* that the insurance company will be required to make to the plurality of purchaser-subscribers on the predetermined future date.”); col. 7, lines 25-32 (“The insurance company at that time can provide a definitive value of the annuity contracts and hence *the program can compute the individual annuity contract rebate values for each subscriber-purchaser based upon that purchaser’s total purchases.*”) (emphasis added). There is nothing in Cohen that suggests that the rebate is used to fund a *transaction fee* charged by a brokerage service. In fact, the second passage quoted above indicates that the purchaser’s total purchase amount is directly related to the annuity amount, with no mention of transaction fees. Applicant further respectfully submits that this claimed feature is not inherent or obvious, as suggested in the series of assertions in paragraphs 14 and 15 of the Office Action.

For the foregoing reasons, Applicant respectfully submits that all of the independent claims (1, 2, 9, 10, 11, 12, 19, and 20) are allowable over Cohen. The dependent claims 3-8 and 13-18 are allowable for at least the same reasons that the independent claims are allowable. Accordingly, Applicant respectfully requests reconsideration and withdrawal of the rejections under 35 U.S.C. §§ 102 and 103 set forth in paragraphs 10-20 of the Office Action.

Having addressed all of the outstanding rejections of record, Applicant respectfully

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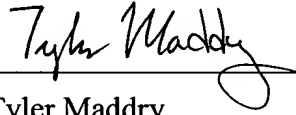
submits that the application is condition for allowance, and notice to that effect is solicited. If there are any questions regarding this amendment or the application in general, the Examiner is encouraged to contact the undersigned to expedite prosecution.

Respectfully submitted,

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